

UNOFFICIAL COPY

2138437

7 of 7

Prepared by and
After recording please return to:

GREENCHOICE BANK, FSB
5225 W. 25th Street
Cicero, IL 60804
Attn: Ms. Michele James



Doc#: 1113041045 Fee: \$58.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 05/10/2011 02:50 PM Pg: 1 of 12

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of the 21st day of April, 2011, between GREENCHOICE BANK, FSB, (the "Senior Lender") and JOHN BAKER, an individual (the "Junior Lender").

RECITALS:

A. Senior Lender, at the request of ROCK HOLDINGS, LLC, (the "Borrower"), has agreed to make a loan to Borrower in the principal amount of ONE HUNDRED TWENTY THOUSAND TWO HUNDRED FIFTY AND 00/100 DOLLARS (\$120,250.00) for the purposes of refinancing the property commonly known as 1456 E. 71st Place, Chicago, Illinois 60619, secured by a Mortgage and Security Agreement executed in conjunction with the loan.

B. Senior Lender is the owner and holder of (a) a certain Mortgage and Security Agreement dated April 21, 2011, in the original principal amount of One Hundred Twenty Thousand Two Hundred Fifty and 00/100 Dollars (\$120,250.00) made by Borrower and payable to the order of Senior Lender (hereinafter referred to as the "Senior Note").

C. Senior Lender is also the owner and holder of the following document, among others, securing or relating to the Senior Note: a certain Mortgage and Security Agreement (the "Senior Mortgage") made by Borrower dated as of April 21, 2011, and recorded with the Recorder of Deeds of Cook County, Illinois (the "Recorder") on _____, 2011, as Document No. _____ encumbering certain property (the "Property"), located in Cook County, Illinois and legally described on Exhibit A attached hereto:

The Mortgage and Security Agreement, together with all other documents and instruments evidencing and securing or relating to the Senior Note are hereinafter collectively referred to as the "Senior Loan Documents."

D. Junior Lender is the owner and holder of a certain Promissory Note Mortgage and Security Agreement (the "Junior Note") made by Borrower payable to the order of Junior Lender.

E. Junior Lender is also the owner and holder of the following documents, among others, securing or relating to the Junior Note: a certain Mortgage (the "Junior Mortgage") recorded January 10, 2008 with the Cook County Recorder of Deeds as Document Number 08010116044, in the

AS RECORDED CONCURRENTLY HEREWITH

S ✓
P 12
S N
SCV ✓
INT ✓

UNOFFICIAL COPY

original principal amount of SEVENTY FIVE THOUSAND and NO/100 DOLLARS (\$75,000.00) made by Borrower dated as of ,encumbering the Property.

The Junior Note, Junior Mortgage, together with all documents and instruments evidencing, securing or relating to the Junior Note are hereinafter collectively referred to as the "**Junior Loan Documents**".

F. All obligations of Borrower to Senior Lender now existing, due or to become due, under the Senior Note and the Senior Loan Documents are herein called the "**Senior Liabilities.**"

G. All obligations of borrower to Junior Lender now existing, due or to become due, under the Junior Note and the Junior Loan Documents are herein called the "**Junior Liabilities.**"

H. In order to induce Senior Lender to enter into the Senior Loan Documents, Borrower and Junior Lender have agreed to execute and deliver this Subordination Agreement in order to subordinate the Junior Loan Documents and the Junior Liabilities, and all other debt between Junior Lender and Borrower to the Senior Loan Documents, the Senior Liabilities and all debt between Senior Lender and borrower existing now or hereafter.

I. The Junior Lender acknowledges that the loan or advances of monies or other extensions of any financial accommodation or credit to the Borrower by the Senior Lender are of value to the Junior Lender.

J. The Borrower has requested that the Junior Lender enter into this Agreement with Senior Lender as a condition precedent to advancing funds under the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing and as an inducement to Senior Lender to make the loan evidenced by the Senior Note, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

1. Recitals. The Recitals set forth above are incorporated herein as if fully set forth and are made a part of this Agreement.

2. Subordination of Liens and Payments. Junior Lender hereby agrees that the Junior Liabilities are and shall be subordinate to the Senior Liabilities and that the liens, security interests and rights of the Junior Lender created by the Junior Loan Documents are and shall be subordinate to the liens, security interests and rights of the Senior Lender created by the Senior Loan Documents and to any and all advances made under the Senior Loan Documents pursuant to the terms thereof, so that until the Senior Note and the Senior Liabilities are paid in full, Senior Lender will have first claim, lien and priority over Junior Lender in all collateral (including the Property) held under the

UNOFFICIAL COPY

Senior Loan Documents.

Junior Lender agrees that so long as there are any Senior Liabilities outstanding, Junior Lender shall not take or receive, directly, indirectly, by setoff or otherwise, any payment, in full or in part, of principal, or any prepayment, in full or in part, of interest under the Junior Note or take or receive the final payment due under the Junior Note. Junior Lender further agrees not to take or receive payment with respect to all or any part of the Junior Liabilities (including interest) at any time after Senior Lender shall have advised Junior Lender via a "Default Notice" that Borrower is in default under any one or more of the Senior Loan Documents unless and until any and all of the Senior Liabilities which are then due and owing have been paid in full or such default has been cured. The issuance of a Default Notice by the Senior Lender shall not create any obligation on the part of the Senior Lender to accelerate or demand payment of the Senior Liabilities or to initiate any action against the Borrower or its assets. The Senior Lender may waive any Event of Default giving rise to the issuance of a Default Notice without waiving such Event of Default as it relates to the Subordinated Lender.

Any property received by Junior Lender in violation of the foregoing undertaking, whether by way of direct payment, as proceeds of collateral or otherwise, shall be held in trust by Junior Lender for the benefit of Senior Lender, and shall be payable immediately to Senior Lender by Junior Lender.

It is understood and agreed by the Junior Lender that the Junior Note may not be modified or amended without the prior written consent of the Senior Lender. The Junior Lender, prior to the payment in full in cash of the Senior Liabilities and the termination of all financing arrangements between the Borrower and the Senior Lender, shall have no right to enforce payment of any of Borrower's obligations under the Junior Note or any of the Junior Loan Documents, or any other payment with respect to the Junior Liabilities without the prior written consent of the Senior Lender.

3. Covenants of Junior Lender. Junior Lender, represents, warrants, covenants and agrees that:

(a) Junior Lender shall not under any circumstance or at any time challenge the Senior Loan Documents or the Senior Lender's priority with respect to the collateral (including the Property) held under the Senior Loan Documents and the proceeds thereof;

(b) Junior Lender shall notify Senior Lender in writing of any default under the Junior Loan Documents within five (5) business days of the occurrence of any default thereunder;

(c) Junior Lender will not take any action affecting any lease of the Property, the Property or any collateral held under the Senior Loan Documents as long as any of the Senior Liabilities

UNOFFICIAL COPY

remain outstanding;

(d) Junior Lender will not, without the prior written consent of the Senior Lender, commence, or join with any other creditor in commencing any bankruptcy or insolvency proceeding or seek to appoint a receiver for the Property;

(e) Junior Lender will not, without the prior written consent of the Senior Lender, modify, amend or consent to any modification of any document evidencing or securing the Junior Liabilities;

(f) Upon the request of the Senior Lender, Junior Lender will provide a partial release of the Junior Mortgage at the same time that Senior Lender provides a partial release of the Senior Mortgage with respect to the sale of any Unit. Junior Lender understands that he is not entitled to any payment of any of the Junior Liabilities as a condition to the delivery of such partial release until and unless all of the Senior Liabilities have been paid in full.

(g) Junior Lender has not previously assigned any interest in the Junior Note; no other party owns an interest in the Junior Note other than Junior Lender the entire Junior Note is owing only to such Junior Lender.

4. Extension of Senior Liabilities. It is further understood and agreed that Senior Lender may at any time, in its sole discretion, renew, modify or extend the time of payment of all or any portion of the Senior Liabilities without the consent of Junior Lender and without in any manner impairing or affecting this Agreement or any of Senior Lender's rights hereunder.

5. Assignment by Senior Lender. Senior Lender may, from time to time, assign or transfer any or all of the Senior Liabilities or any interest therein, and notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Senior Liabilities shall be and remain Senior Liabilities for the purpose of this Agreement, and every immediate and successive assignee or transferee of any of the Senior Liabilities or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Senior Liabilities, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were Senior Lender.

6. Assignment by Junior Lender. Junior Lender may, upon the prior written consent of Senior Lender, assign or transfer all, but not less than all, of the Junior liabilities provided that such assignment is expressly subject to the terms of this Agreement in form and substance reasonably satisfactory to Senior Lender.

7. Power of Attorney. Junior Lender does hereby irrevocably appoint Senior Lender the attorney-in-fact for Junior Lender, with full power of substitution, to sign, execute and deliver any

UNOFFICIAL COPY

and all instruments and documents and do all acts and things to the same extent as Junior Lender could do with respect to executing and delivering one or more partial releases of the Junior Mortgage upon the sale of any Unit.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Senior Lender, Junior Lender and their respective successors and assigns whether immediate or remote.

9. Notice. Any notice, demand or other communication which any party may desire or may be required to give to any other party shall be in writing, and shall be deemed given (i) if and when personally delivered, (ii) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth below, or (iii) on the second (2nd) business day after being deposited in the United States, registered or certified mail, postage prepaid, addressed to a party at its address set forth below:

If to Senior Lender: GREENCHOICE BANK, FSB
5225 W. 25th Street
Cicero, IL 60804

If to Junior Lender: Mr. John Baker
4483 Ardmore Drive
Bloomington Hills, MI 48302

Any party hereto may change the address at which notices hereunder are required to be given to such party by notice to the other parties in accordance herewith.

10. Construction and Interpretation of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Junior Lender consents to the exercise of jurisdiction over its person and property by any court of competent jurisdiction situated in the State of Illinois (whether it be a court of such State, or a court of the United States of America) and in connection therewith, agrees to submit to, and be bound by the jurisdiction of such court upon the mailing of process by registered or certified mail, return receipt requested, postage prepaid to Junior Lender's address for receipt of notice. Junior Lender hereby knowingly, voluntarily and intentionally waives the right to trial by jury in respect of any litigation based hereon, arising out of, or in connection with this Agreement.

11. Termination. This Agreement is a continuing agreement of subordination and shall continue effective until the payment in full of all Senior Liabilities under the Senior Loan Documents and all extensions, modifications and renewals thereof.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the day and year first written above.

SENIOR LENDER
GREENCHOICE Bank, FSB
~~FAMILY FEDERAL SAVINGS BANK~~
ILLINOIS, a federal savings bank

JUNIOR LENDER

JOHN BAKER, individually

OK →

By: *[Signature]*
Its: *Exec. Vice President*

Attest: _____

Its: _____

ASSENT BY BORROWER

The above name Borrower assents to the foregoing Subordination Agreement and agrees in all respects to be bound thereby and to keep, observe and perform the several matters and things therein intended of it to be done, and particularly agrees not to make any payment contrary to the foregoing.

BORROWER:

ROCK HOLDINGS, LLC, an Illinois
limited liability company

By: Its Members

[Signature]
STEPHEN BAKER

[Signature]
CHRISTOPHER HACKER

[Signature]
STEVEN HARGRAVES

UNOFFICIAL COPY

11. Termination. This Agreement is a continuing agreement of subordination and shall continue effective until the payment in full of all Senior Liabilities under the Senior Loan Documents and all extensions, modifications and renewals thereof.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the day and year first written above.

SENIOR LENDER

JUNIOR LENDER

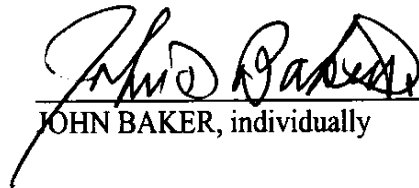
FAMILY FEDERAL SAVINGS OF ILLINOIS, a federal savings bank

By: _____

Its: _____

Attest: _____

Its: _____


JOHN BAKER, individually

ASSENT BY BORROWER

The above name Borrower assents to the foregoing Subordination Agreement and agrees in all respects to be bound thereby and to keep, observe and perform the several matters and things therein intended of it to be done, and particularly agrees not to make any payment contrary to the foregoing.

BORROWER:

ROCK HOLDINGS, LLC, an Illinois limited liability company

By: Its Members

STEPHEN BAKER

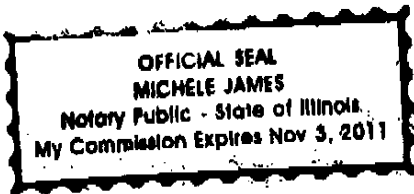
CHRISTOPHER HACKER

STEVEN HARGRAVES

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MICHELE JAMES, a Notary Public in and for said County in the State aforesaid, DO
HEREBY CERTIFY that JOHN LEVEY EXECUTIVE Vice President of
GREEN CHOICE BANK, FSB, and _____, Assistant Secretary, of
said GREEN CHOICE BANK, FSB, personally know to me to be the same persons whose name are
subscribed to the foregoing instrument as such SV President and _____ Secretary,
respectively, appeared before me this day in person and acknowledged that they signed and delivered
the said instrument as their own free and voluntary acts, and as the free and voluntary act of said
_____ for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29th day of April, 2011.



Michele James
Notary Public

My Commission Expires: 11/3/11

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County in the State aforesaid, DO
HEREBY CERTIFY that JOHN BAKER, personally know to me to be the same person whose name
is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged
that he signed and delivered the said instrument as his own free and voluntary act for the uses and
purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of April, 2011.

Notary Public

My Commission Expires:

UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____ Vice President of GREENCHOICE BANK, FSB, and _____, Assistant Secretary, of said GREENCHOICE BANK, FSB, personally know to me to be the same persons whose name are subscribed to the foregoing instrument as such _____ President and _____ Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said _____, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of April, 2011.

Notary Public

My Commission Expires:

MICHIGAN
STATE OF ~~ILLINOIS~~)
LIVINGSTON - ACTING IN) SS.
OAKLAND)
COUNTY OF ~~COOK~~)

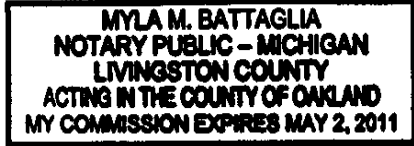
I, MYLA M. BATTAGLIA, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that JOHN BAKER, personally know to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29th day of April, 2011.

Myla M. Battaglia

Notary Public

My Commission Expires:



UNOFFICIAL COPY

STATE OF IL)
) SS.
COUNTY OF Cook)

I, Jeffrey Krestik, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that STEPHEN BAKER, as a Member of ROCK HOLDINGS, LLC, an Illinois limited liability company, personally know to me to be the same person whose name is subscribed to the foregoing instrument as such Member, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary acts, and as the free and voluntary act of ROCK HOLDINGS, LLC, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 2nd day of May, 2011.



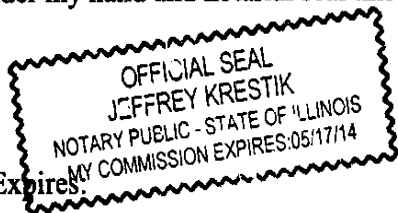
[Signature]
Notary Public

My Commission Expires:
5.17.14

STATE OF IL)
) SS.
COUNTY OF Cook)

I, Jeffrey Krestik, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that CHRISTOPHER HACKER, as a Member of ROCK HOLDINGS, LLC, an Illinois limited liability company, personally know to me to be the same person whose name is subscribed to the foregoing instrument as such Member, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary acts, and as the free and voluntary act of ROCK HOLDINGS, LLC, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 2nd day of May, 2011.



[Signature]
Notary Public

My Commission Expires:
5.17.14

UNOFFICIAL COPY

STATE OF IL)
) SS.
COUNTY OF Cook)

I, Jeffrey Krestik a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that STEVEN HARGRAVES, as a Member of ROCK HOLDINGS, LLC, an Illinois limited liability company, personally know to me to be the same person whose name is subscribed to the foregoing instrument as such Member, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary acts, and as the free and voluntary act of ROCK HOLDINGS, LLC, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 2nd day of May, 2011.

Jeffrey Krestik

Notary Public

My Commission Expires:

5.17.14



UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION

THE EAST 10 FEET OF LOT 38 AND LOT 39 (EXCEPT THE EAST 5 FEET THEREOF) IN BLOCK 2 IN THE SUBDIVISION BY JOHN G. SHORTALL, TRUSTEE OF THE NORTH ½ OF THE NORTHEAST 1/4 OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 20-26-202-033-0000

COMMONLY KNOWN AS: 1436 E. 71st PLACE, CHICAGO, ILLINOIS 60559